

**REMARKS**

Applicants respectfully submit that the minor claim amendment herein does not raise new issues, but merely clarifies issues that have been raised throughout the prosecution of this application. Applicants respectfully request entry of the claim amendment and allowance of the claims as-amended.

Rejections under 35 U.S.C. § 103(a)

In the office action, claims 1 - 27 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,049,823 to Hwang (hereinafter "Hwang"), in view of U.S. Patent No. 6,762,733 to Smith et al. (hereinafter "Smith"). Applicants respectfully traverse the rejections of record, and respectfully submit that the foregoing claims as amended are in condition for allowance.

Independent claim 1 as amended is directed to a method of presenting an audiovisual signal to a user's audiovisual display monitor, including the step of, *inter alia*:

presenting a menu containing a selection of video programs to the user's audiovisual display monitor with the ACD, wherein said video programs are stored on one or more ACDs;

Independent claim 16 is directed to an apparatus for presenting an audiovisual signal to a user's audiovisual display monitor, and includes similar limitations.

Applicants' foregoing amendment clarifies that the video programs presented for selection by the claimed ACD are all stored on *one or more ACDs*, instead of in a central database.

Hwang is directed to an interactive television system that renders on-demand interactive multimedia services. (Hwang, Abstract). In the Hwang system, a multimedia database of stored programs is kept on a hard disk subsystem that is part of a "direct-access on-demand workgroup server." (See, e.g., Hwang, Abstract; col. 4, lns. 60-65; col. 8, lns. 42-44). When a user selects a video program for viewing, the channel-processors of Hwang must retrieve the program from the workgroup server's database before viewing. (See, e.g., Hwang, col. 5, lns. 1-33). Similarly, Smith is directed to a video game/communications system wherein a "multitasking computer stores video games and other application programs on its hard disk, [and] downloads programs to an array of game playing engines in response to guest selections." (Smith, Abstract).

In contrast, amended claims 1 and 16 are directed to a method and a system wherein all video programs are stored in one or more ACDs. The user selects the video program desired, and the system connects the user to the proper ACD, which already contains the selected program. No downloading of content from a central database is necessary.

Hwang teaches away from the idea of storing content in multiple devices by describing the disadvantages of “duplicative storage” of data, and points to the increasing size of hard disks as allowing further centralization of data storage:

The only disadvantage to this workgroup-based iTVsystem architecture is that there are too many duplications of the same data stored in every local on-demand workgroup server. However, disk drive capacity is getting larger and less expensive (for instance, a 5.25-inch full-high hard disk can accommodate up to 23 Gigabytes for less than \$150 per Gigabyte) and the technology of the iTVpanel can redirect the control to the specific application workgroup server, which reduces the need for the redundant data duplications. Thus, the increased hard-disk cost for installing a direct-access workgroup server in each TeamPro iTVstation is nominal.

(Hwang, col. 11, lns. 4-14)

Claims 1 and 16 were previously amended to require that each ACD is assigned to a particular user only, “such that the ACD is not available for concurrent communication with other users,” further clarifying the distinctions between the content-storing ACDs of Applicants’ claimed invention and the workgroup server of Hwang or the master host computer of Smith.

Therefore, Applicants respectfully submit that Hwang fails to disclose or suggest at least the claim element of amended claims 1 and 16, wherein “said video programs are stored on one or more ACDs.” Smith fails to remedy the deficiencies of Hwang.

In light of the forgoing, Applicants respectfully submit that claims 1 and 16 in the foregoing amended form are in condition for allowance. Additionally, because dependent claims 2-15 and 17-27 contain all of the limitations of the claims from which they depend, Applicants submit that these claims are also in condition for allowance, for at least the same reasons.

**CONCLUSION**

In view of the foregoing remarks and amendments, entry of the amendments and favorable consideration and allowance of claims 1-27 are respectfully solicited. In the event that the application is not deemed in condition for allowance, the Examiner is invited to contact the undersigned in an effort to advance the prosecution of this application.

Respectfully submitted,



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